Government of
Saskatchewan

# 2006-2007
# Annual Report

## Advanced Education
## and Employment

## Saskatchewan
## Student Aid Fund

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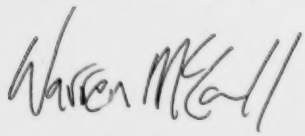
## Letter of Transmittal

His Honour The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Student Aid Fund for the year ending March 31, 2007. The financial statements included in the report were prepared by the Department of Advanced Education and Employment and audited by the Provincial Auditor of Saskatchewan.

Respectfully submitted,



Warren McCall
Minister of Advanced Education and Employment

## Letter of Transmittal

The Honourable Warren McCall
Minister of Advanced Education and Employment

I have the honour of submitting the Annual Report of the Saskatchewan Student Aid Fund for the fiscal year ending March 31, 2007.

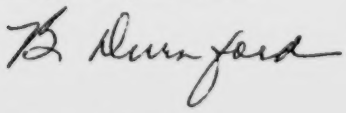
During the year under review, the programs provided through the Fund have maintained a high degree of accessibility to post-secondary education and provided services to meet the needs of individuals and communities in Saskatchewan.

For the 2006-07 fiscal year, over 13,500 applications were approved, and over $119 million in student financial assistance was authorized. Other activities that occurred during the year under review include:

- Developed secondary performance indicators to support continued implementation of Saskatchewan's Designation Policy; and revised and distributed the Designation Policy Manual to schools;
- Information campaign to increase awareness of student financial assistance programs and participated in a national social marketing initiative to encourage parents to save for their children's post-secondary education; and
- Developed an on-line application for the Canada-Saskatchewan Integrated Student Loans Program for implementation in 2007-08.

I believe that the existing internal controls provide reasonable assurance that the Saskatchewan Student Aid Fund assets are safeguarded and that the financial records are reliable for preparing information and maintaining accountability for assets.

Respectfully submitted,



Bonnie Durnford
Deputy Minister of Advanced Education and Employment

## Highlights of the Saskatchewan Student Aid Fund and Student Financial Assistance Branch in 2006-2007

- There were over 13,500 full-time Canada-Saskatchewan Integrated Student Loans authorized by the Student Financial Assistance Branch.
- The amount of authorized assistance totalled over $71 million in Canada Student Loans and over $47 million in Saskatchewan Student Loans.
- Over $36 million in debt reduction benefits were authorized to students.
- Over $1 million in benefits were provided through debt management tools for students having difficulty repaying their loans.
- Over $1.3 million was provided in Canada and/or Saskatchewan Study Grants for the Accommodation of Students with Permanent Disabilities, High Need Part-time Students, Part-time Students with Dependents, and Females Pursuing Doctoral Studies.
- Over $2.1 million was provided in Canada Access Grants.
- Over $1.9 million was paid through the Fund in other awards such as scholarships and bursaries.
- Total loans receivable were over $85 million.
- Over $204,000 was authorized to 89 students in Part-time Canada Student Loans.
- Administered the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs through the Joint Management Committee and various working groups.
- Continued to implement Saskatchewan's Designation Policy by developing secondary performance indicators; and revising and distributing the Designation Policy Manual to schools.
- Managed the Summative Evaluation for the Canada-Saskatchewan Integrated Student Loans Program jointly with the federal government.
- Developed an on-line application for the Canada-Saskatchewan Integrated Student Loans Program for implementation in 2007-08.

Highlighted below is a summary of awards provided through the Saskatchewan Student Financial Assistance Program to assist students in the pursuit of post-secondary education.

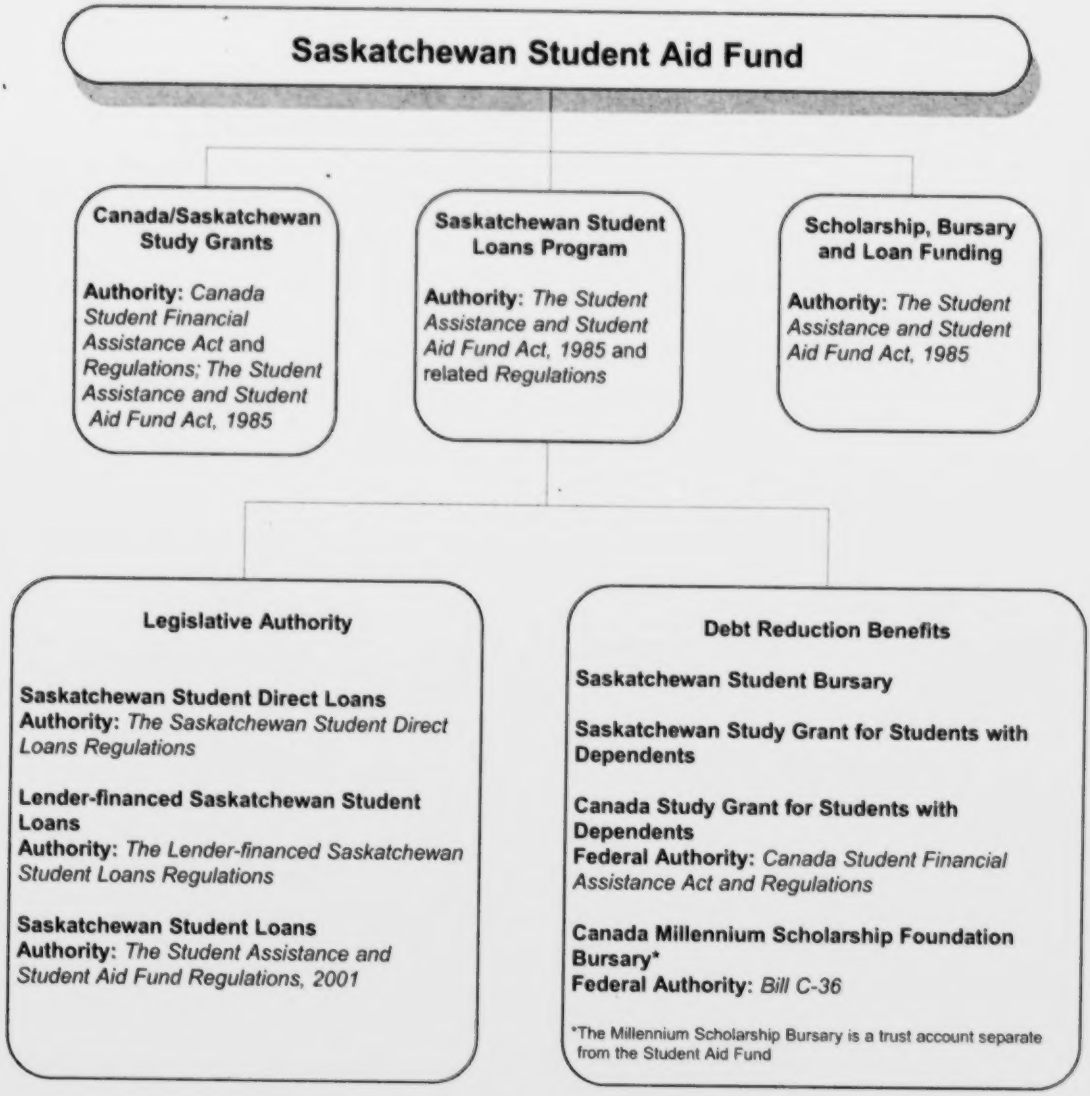
**Table 1: Summary of Awards and Benefits**
**Saskatchewan Student Assistance Program: 2006-07**

| | Number of Awards | Number of Students | Total Amount |
|---|---|---|---|
| **Full-time Loans** | | | |
| Canada Student Loans Authorized | 13,785 | 12,612 | $71,552,809 |
| Saskatchewan Student Loans Authorized | 13,828 | 12,654 | $47,846,739 |
| **Debt Reduction Benefits** | | | |
| Saskatchewan Student Bursary | 9,238 | 7,720 | $19,973,070 |
| Canada Study Grant for Students with Dependents | 2,911 | 2,218 | $3,522,734 |
| Saskatchewan Study Grant for Students with Dependents | 1,695 | 1,426 | $2,197,716 |
| Remission | 33 | 33 | $46,470 |
| Canada Millennium Scholarship Foundation Bursary | 2,939 | 2,939 | $9,338,500 |
| Millennium Aboriginal Access Bursary | 562 | 562 | $1,123,694 |
| **Debt Management Tools** | | | |
| Interest Relief | n/a | 3,661 | $992,484 |
| Debt Reduction in Repayment | 21 | 21 | $42,078 |
| Permanent Disability Benefit | 10 | 10 | $56,739 |
| **Part-time Loans** | | | |
| Canada Student Loans Authorized | 92 | 89 | $204,790 |
| **Canada/Saskatchewan Study Grants** | | | |
| Accommodation of Students with Permanent Disabilities | 330 | 288 | $1,263,401 |
| High Need Part-time Students | 47 | 47 | $76,519 |
| Part-time Students with Dependents | 3 | 3 | $3,228 |
| Females Pursuing Doctoral Studies | 7 | 6 | $28,040 |
| **Canada Access Grants** | | | |
| Access Grant for Students with Permanent Disabilities | 612 | 591 | $1,200,618 |
| Access Grant for Students from Low-Income Families | 469 | 468 | $991,085 |
| **Other Awards:** | | | |
| Centennial Merit Scholarship | (Determined by institution) | | $1,648,718 |
| French Language - Federal/Provincial Awards | 319 | 163 | $287,100 |
| Queen Elizabeth II Scholarship in Parliamentary Studies | 0 | 0 | $0 |
| Queen Elizabeth II Centennial Aboriginal Scholarship | 2 | 2 | $20,000 |
| D.R. Simmons Memorial Scholarships | 2 | 2 | $1,000 |
| James Dickson Scholarship | 1 | 1 | $500 |

## The Saskatchewan Student Aid Fund

The Saskatchewan Student Aid Fund was created in 1949 by the Government of Saskatchewan to ensure that students would not be denied access to post-secondary education or training due to lack of financial resources. Since then, the Fund has assisted many thousands of individuals to attain their education and career goals.

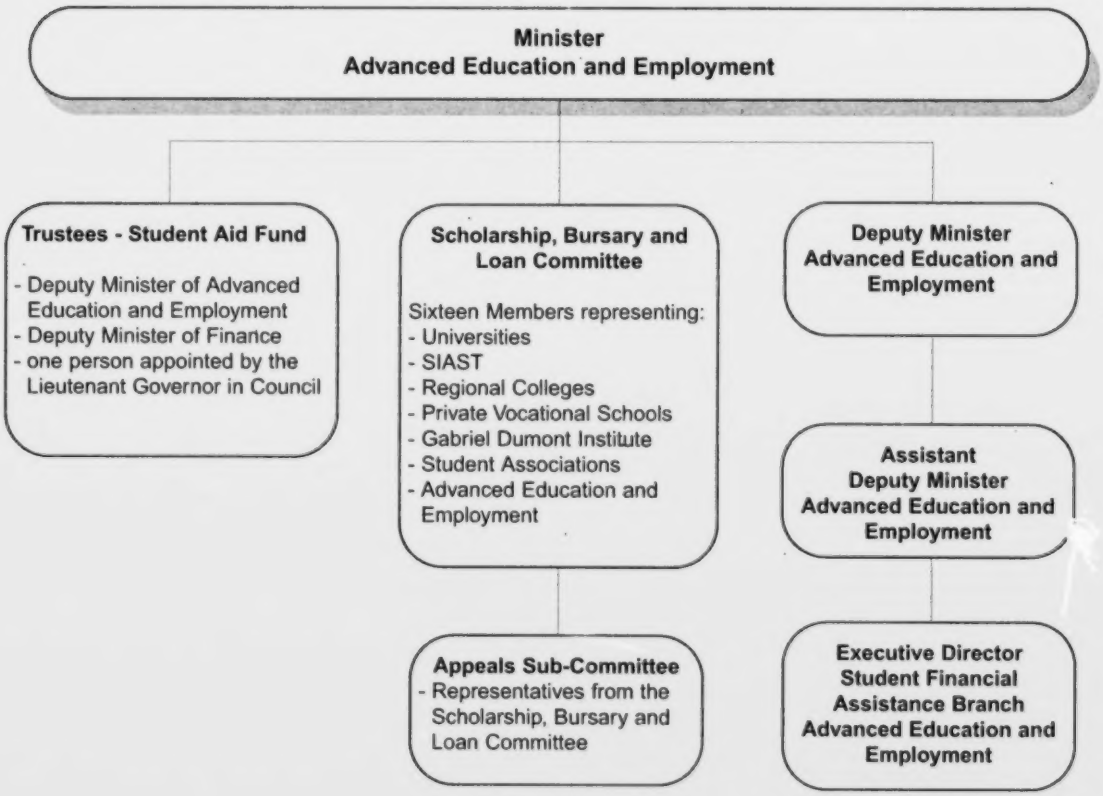
The following chart provides an overview of the programs administered through the Fund.


Saskatchewan Student Aid Fund
Canada/Saskatchewan Study Grants
Authority: Canada Student Financial Assistance Act and Regulations; The Student Assistance and Student Aid Fund Act, 1985
Saskatchewan Student Loans Program
Authority: The Student Assistance and Student Aid Fund Act, 1985 and related Regulations
Scholarship, Bursary and Loan Funding
Authority: The Student Assistance and Student Aid Fund Act, 1985
Legislative Authority
Saskatchewan Student Direct Loans
Authority: The Saskatchewan Student Direct Loans Regulations
Lender-financed Saskatchewan Student Loans
Authority: The Lender-financed Saskatchewan Student Loans Regulations
Saskatchewan Student Loans
Authority: The Student Assistance and Student Aid Fund Regulations, 2001
Debt Reduction Benefits
Saskatchewan Student Bursary
Saskatchewan Study Grant for Students with Dependents
Canada Study Grant for Students with Dependents
Federal Authority: Canada Student Financial Assistance Act and Regulations
Canada Millennium Scholarship Foundation Bursary*
Federal Authority: Bill C-36
*The Millennium Scholarship Bursary is a trust account separate from the Student Aid Fund

## Organization and Administration

Authority for administration of the Saskatchewan Student Aid Fund is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*. This legislation calls for:

- Three trustees to administer the Fund;
- The Scholarship, Bursary and Loan Committee to make recommendations to the Minister; and,
- The Department over which the Minister presides to operate the Fund.



## Trustees

The Trustees for the Saskatchewan Student Aid Fund were established in 1949 under *The Student Aid Fund Act.*

In 2006-07, the Trustees of the Student Aid Fund were:

- Bonnie Durnford, Deputy Minister, Advanced Education and Employment;
- Doug Matthies, Deputy Minister, Saskatchewan Finance;
- Rob Cunningham, Assistant Deputy Minister, Advanced Education and Employment.

The Trustees held two meetings: August 16, 2006 and February 28, 2007 in which they:

- Reviewed the Fund's 2005-06 year end financial statements and activity reports, approved the Student Aid Fund operating budget for 2006-07 and reviewed the Fund's third quarter financial statement and activity reports for 2006-07;
- Received an update on the needs assessment simplification project, progress regarding the National Designation Policy Framework and activities related to the Intergovernmental Consultative Committee on Student Financial Assistance (ICCSFA);
- Received an update regarding the following ongoing initiatives:
  - Social Marketing Initiative and the Student Financial Assistance communications campaign;
  - On-line application for the Canada-Saskatchewan Integrated Student Loans program;
  - Amendment to the Collections Agreement;
  - Post-Secondary Education Accessibility and Affordability Review;
  - Canada Student Loans Service Provider Re-procurement; and
  - Summative Evaluation of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs.

## Scholarship, Bursary and Loan Committee

In 2006-07, the Committee held one meeting on June 13, 2006 in which they:

- Reviewed and approved the 2006-07 Canada-Saskatchewan Integrated Student Loans Program Administrative Guidelines;
- Received an overview of the Post-Secondary Education Accessibility and Affordability Review provided by Warren McCall;
- Discussed the 2006-07 application package;
- Discussed the Appeals Sub-Committee process and the main issues that involve appeals;
- Reviewed loan assessment statistics; and
- Received an update on the National Designation Policy Framework and Saskatchewan's Designation Policy.

### Appeals Sub-Committee

The Appeals Sub-Committee consists of five members of the Scholarship, Bursary and Loan Committee. The Sub-Committee reviews cases where students applying for financial assistance may have extenuating circumstances that could affect their assessments.

## Minister and the Department

Authority for the Minister to make awards under the Saskatchewan Student Assistance Program is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*.

The Saskatchewan Student Assistance Program administers federal and provincial loans, scholarships and award programs. The Student Financial Assistance Branch administers these programs on behalf of the Minister.

Advanced Education and Employment is committed to responding to the education, skills development and training needs of individual learners, job seekers, employers and to the broader needs of the Provincial labour market in order to advance the social and economic well-being of the province.

The Student Financial Assistance Branch supported these commitments through the delivery of its programs and services.

### Branch Functions

The Student Financial Assistance Branch has a variety of units that assist in meeting Branch objectives and support the delivery of programs through the Student Aid Fund. These units include the Income Support Unit; Debt Management and Financial Services Unit; Business and Information Technology Unit; Strategic Initiatives Unit; and the Support and Operational Services Unit.

**The Income Support Unit** is responsible for:

- Assessment, review, and verification of applications and notifications for:
  - Canada-Saskatchewan Integrated Student Loans for full-time students;
  - Canada Student Loans for part-time students;
  - Canada/Saskatchewan Study Grants; and
  - Canada Access Grants.
- Information and advisory services to students, their families, educational institutions and the general public. Over 56,500 telephone inquiries and 9,700 face-

to-face inquiries on student loan issues were handled.

**The Debt Management and Financial Services Unit** is responsible for:

- Financial and managerial accounting services for the Student Aid Fund.
- Development of student loan repayment and collection policies in partnership with the federal government.
- Management and administration of debt reduction and debt management tools for student loans.
- Issuance of repayment documentation and collection of Saskatchewan Student Loans issued prior to August 1, 1996.
- Investigation and resolution of Interest-Free and Interest Relief issues with respect to Saskatchewan Student Loans.
- Administration of the Canada Millennium Scholarship Foundation Bursary and the Millennium Aboriginal Access Bursary.
- Administration of the Post-Secondary Graduate Tax Credit.
- Issuance of tax slips for student loan debt reduction measures, grants and interest payments on in-house student loans.

**The Strategic Initiatives Unit** is responsible for:

- Strategic policy direction for the Student Financial Assistance Branch including programs administered through the Student Aid Fund.
- Research and development of policy to support and improve the delivery of student financial assistance.
- Design and development of communication materials including student financial assistance program application materials and website. In 2006-07, there were over 1,200 inquiries from the website and over 50 requests for information through the Publications Centre.
- Management of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs through the Joint Management Committee and various working groups.
- Maintenance of legislation including Acts and Regulations governing student financial assistance programs.
- Administration of Saskatchewan's Designation Policy Framework by designating post-secondary institutions for student loan eligibility and ensuring compliance with the National Designation Policy Framework for student financial assistance programs. Educational Institution Consultants attended 105 information sessions across the province with over 5,000 individuals attending.
- Management information reporting and analysis to support program management and the strategic direction of student financial assistance.

**The Business and Information Technology Unit** is responsible for:

- Business support and information management services.
- Management of testing procedures, system control, system security, system design, development and maintenance.

- Development and monitoring electronic interfaces for information flow between the Student Financial Assistance Branch and service providers.

**The Support and Operational Services Unit** is responsible for:

- Administrative support for the Student Financial Assistance Branch senior management.
- Support to the Scholarship, Bursary and Loan Committee and the Trustees of the Student Aid Fund.
- Preparation of third party contracts to deliver specific contract services.
- Management and administration of human resources activities.
- Maintenance of administrative and operational files.

## Accomplishments Based on 2006-2007 Action Plan

The Student Financial Assistance Branch has achieved a number of accomplishments during this reporting year that demonstrate its commitment to high quality programs and services.

Key actions that were accomplished based on the 2006-2007 action plan were as follows:

- Worked with educational institutions to improve performance and increase student success by implementing the Saskatchewan Student Loan Designation Policy, including the development of secondary performance indicators and revising and distributing the Saskatchewan Designation Policy Manual. Established an Educational Institutional Consultants unit to support schools in implementing the Designation Policy and other student loan administrative requirements.
- Managed the Summative Evaluation of the Canada-Saskatchewan Integrated Student Loans Programs jointly with the federal government.
- Provided input and support to the Post-Secondary Education Accessibility and Affordability Review.
- Implemented the Post-Secondary Graduate Tax Credit increase to $850, representing a value of $7,727 in exempted income.
- Undertook an information campaign to increase awareness of student financial assistance programs provided through the Student Aid Fund and participated in a national social marketing initiative to encourage parents to save for their children's post-secondary education.

- Developed an on-line application for the Canada-Saskatchewan Integrated Student Loans Program for implementation in 2007-08.

- Expanded the eligibility of the Millennium Aboriginal Access Bursary to include students in their second year of a multi-year program.

- Negotiated a costs and allocation of recoveries agreement with the federal government that will increase provincial revenue by increasing Saskatchewan's share of defaulted Saskatchewan loans collected by the federal government.

- Undertook system and process planning in preparation for the introduction of a single national student loans service provider in March 2008.

Other Branch accomplishments include:

- Over 13,500 applications were approved, and over $119 million in student financial assistance was authorized.

- The Refund Set-Off Program, in partnership with the Canada Revenue Agency (CRA), recovered outstanding student loans from individuals' income tax refunds in 2006-07 totalling $179,730 from Saskatchewan student loans issued prior to August 1, 1996.

## 2007-2008 Action Plan

The accountability framework for the Canada-Saskatchewan Integrated Student Loans Program identifies three major goals.

In 2007-08 the Student Financial Assistance Branch and Student Aid Fund will focus on these three goals:

- Reducing financial barriers and improving access to post-secondary education for students in financial need;

- Improving borrower satisfaction; and

- Improving service delivery for post-secondary students.

The Student Financial Assistance Branch will implement an action plan to support the goals identified. Specific actions will include:

- Improving services to borrowers by providing extended service hours during the peak application period and implementing an on-line application.

- Increasing the number of dependent students who will qualify for a loan by reducing expected parental contributions.

- Implementing system and process changes for the introduction of a single national student loans service provider in March 2008.

- Working with other jurisdictions on options to simplify the student loans needs assessment criteria.

- Providing support and input to the Post-Secondary Education Accessibility and Affordability Review.

- Implementing a new Graduate Tax Exemption that will exempt $10,000 of a new graduate's income from Saskatchewan taxes each year for five years, totalling $50,000 in income exemptions.

## Canada-Saskatchewan Integrated Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs

The Saskatchewan Student Loans program has evolved over the years with the goal of continuing to improve financial accessibility for Saskatchewan students. Throughout this process, many changes have been implemented to aid in assessment, approval, and repayment of student loans.

All full-time Saskatchewan student loans issued as of August 1, 2001 are Canada-Saskatchewan Integrated Student Loans. Integrated loans in Saskatchewan are fully funded by the federal government and the Saskatchewan government under a "one student, one loan" concept. This means that a student receives one loan document that includes both federal and provincial assistance.

The main goal of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs is to simplify the student loan process for students.

Integration Agreement Achievements in 2006-2007 included:

- On-going discussions through working groups established by the Agreement's Joint Management Committee.
- Negotiated a costs and allocation of recoveries agreement with the federal government that will increase provincial revenue by increasing Saskatchewan's share of defaulted Saskatchewan loans collected by the federal government.
- Developed joint communication materials.
- Developed processes for the joint administration of the Debt Reduction in Repayment benefit.
- Joint management of the Summative Evaluation of the Canada-Saskatchewan Integrated Student Loans Program.

## Saskatchewan Student Assistance Programs

### Full-time Student Loans

Financial assistance for full-time post-secondary students is provided through the Canada-Saskatchewan Integrated Student Loans Program.

#### Eligibility for Assistance

The Student Financial Assistance Branch uses federal criteria to determine an applicant's eligibility for student loans. To qualify for a student loan, the student must:

- Be a Canadian citizen, permanent resident, or designated protected person;
- Be a Saskatchewan resident according to program criteria;
- Be enrolled as a full-time student;
- Be enrolled in a program of study that is at least 12 weeks in duration and leads to a degree, diploma or certificate;
- Be attending a designated educational institution;
- Be in financial need according to student loan program guidelines;
- Not be in default on a previous student loan;
- Maintain a satisfactory scholastic standing;
- Be receiving assistance for less than 340 weeks of study; and
- Complete the program within the number of periods of study normally specified by the school for completion of that program, plus one additional period.

#### Assessing Applications

The Student Financial Assistance Branch assesses all applications to determine financial need. The applicant's financial need for assistance is calculated by subtracting the contributions expected from the student and the student's family from the educational and living costs allowed under the program.

In Saskatchewan, assistance is authorized to a student initially in the form of a Canada-Saskatchewan Integrated Student Loan. The Student Financial Assistance Branch issues a loan certificate to the student. Upon completion of the student's period of study, the student may be eligible for a number of debt reduction benefits.

In 2006-07, there were over 13,500 applications approved and over $119 million in Canada-Saskatchewan Integrated Student Loans authorized. Of the $119 million, $71,552,809 was in federal loans and $47,846,739 was in provincial loans.

The graph below illustrates the number of Canada and Saskatchewan Full-time Student Loans authorized to assist students in their pursuit of post-secondary education.

***Graph 1: Number of Authorized Loans from 2002-03 to 2006-07***

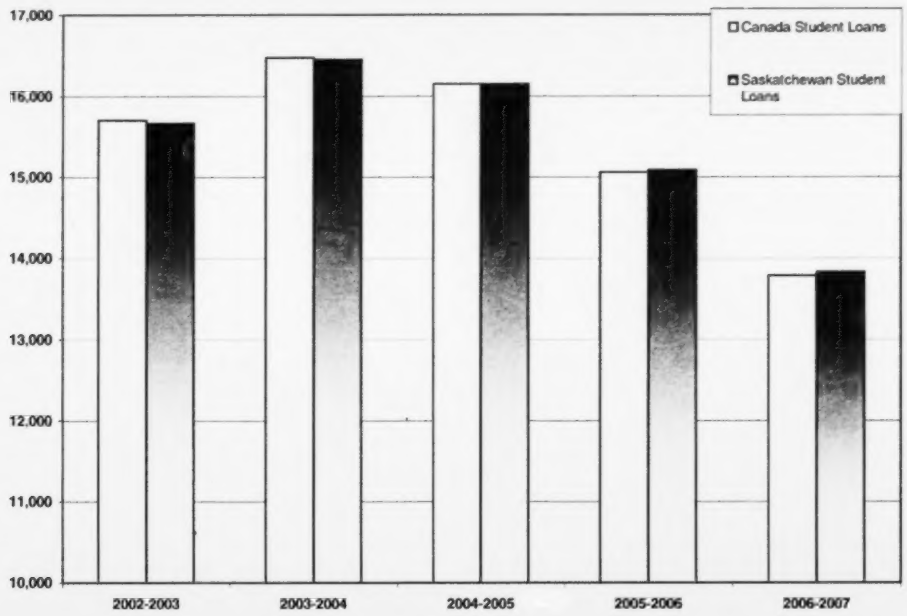



Table 2 below indicates the maximum loan assistance and benefits available for full-time study.

**Table 2: Maximum Loan Assistance and Benefits Available To Students in 2006-07**

| Student Group | Maximum Assistance Available | Maximum Grants & Bursaries | Repayable |
|---|---|---|---|
| **Students With Dependents** | $415 per week of study | $205 per week of study | $210 per week of study |
| **Students Without Dependents** | $320 per week of study | $110 per week of study | $210 per week of study |
| **Medical Students With Dependents** | $700 per week of study | $205 per week of study | $495 per week of study |
| **Medical Students Without Dependents** | $575 per week of study | $110 per week of study | $465 per week of study |

### Appeals and Reviews

An appeal of assessment results may be requested by a student if additional assistance is required due to unavoidable situations or exceptional circumstances during the pre-study and/or study period. A review or reassessment may be undertaken when there is a change in the information provided on the application.

The Appeals Sub-Committee, consisting of members of the Scholarship, Bursary and Loan Committee, is formed each year to review appeals. The Appeals Sub-Committee reviewed one appeal in 2006-07 and the case was denied additional assistance.

### Interest-Free Status

The federal and provincial governments pay the interest on student loans while the student is attending school full-time. The student is responsible for the interest on student loans from the first day of the first month after the student ceases full-time study.

The student is not responsible for interest that accrues on student loans between academic periods if the break is six months or less, and appropriate documentation is submitted.

Students who are attending school, but are not receiving financial assistance, may keep any federal and provincial student loans in interest-free status during their academic periods by submitting appropriate documentation.

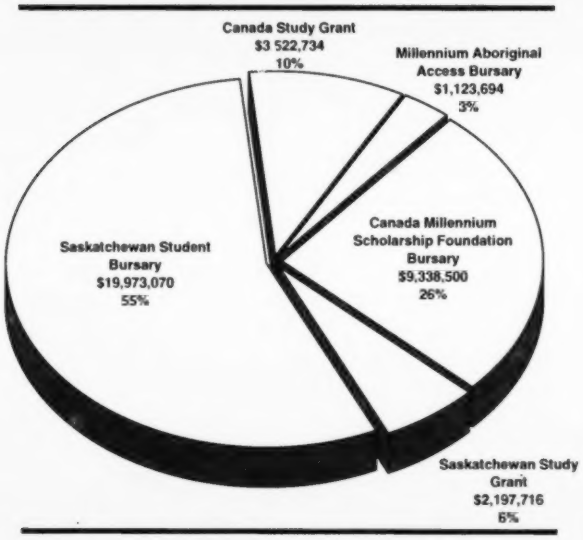
## Debt Reduction Benefits

The purpose of debt reduction benefits is to help reduce the amount of loan the student will have to repay. The debt reduction benefits provided by the Student Financial Assistance Branch include the Saskatchewan Student Bursary, Canada Millennium Scholarship Foundation Bursary, Millennium Aboriginal Access Bursary and Canada and Saskatchewan Study Grants for Students with Dependents. All debt reduction benefits are automatically applied against the student's loan following the study period.

The benefit amount is applied first against the student's Saskatchewan loan debt and, in some cases where funds remain, it is applied to the federal loan debt. In Saskatchewan, over $36 million in debt reduction benefits were issued during this reporting period.

The *Saskatchewan Student Bursary* is available to all students with loan assistance exceeding $210 per week of study for the first 170 weeks of post-secondary study. In 2006-07, there were 9,238 bursaries awarded totalling $19,973,070.

***Graph 2: 2006-07 Debt Reduction Benefits Totalling $36 Million (Proportion of Total Dollars Paid)***




The *Canada Millennium Scholarship Foundation Bursary* provides between $2,000 and $4,000 to each eligible student annually, with a lifetime maximum of $22,500. The bursary is available to students in second and higher years of post-secondary studies, excluding graduate studies. In most cases, students will receive either the Saskatchewan Student Bursary or the Canada Millennium Scholarship Foundation Bursary. In 2006-07, there were 2,939 awards totalling $9,338,500.

The *Millennium Aboriginal Access Bursary* provides up to $2,000 annually to low-income Aboriginal students in their first year of a multiple-year program of post-secondary studies. In 2006-07, the bursary was extended to include Aboriginal students in their second year of post-secondary studies. A potential amount of $1,123,694 may be distributed to 562 eligible recipients referred Canada Millennium Scholarship Foundation in 2006-07 for consideration to receive the bursary.

*The Canada and Saskatchewan Study Grants* are available to students with dependent children, with loan assistance exceeding $275 per week of study. In 2006-07, there were 2,911 Canada Study Grants for Students with Dependents awarded in the amount of $3,522,734 and 1,695 Saskatchewan Study Grants for Students with Dependents awarded in the amount of $2,197,716.

Remission was available to Special Incentive Students to reduce their debt for the first 60 weeks of study up until the end of the 2004-05 loan year. In 2006-07, there were 33 remission awards in the amount of $46,470. Remission was phased out in the 2004-05 loan year and is no longer available.

**Repayment of Student Loans**

Students with Canada-Saskatchewan Integrated Student Loans make payment arrangements with the National Student Loans Service Centre. Students with loans issued prior to August 2001 must make arrangements with lenders holding their loans to repay their Canada and Saskatchewan student loans.

Options are available to students who are unable to meet the repayment terms of their loan agreements. Repayment terms may be revised or interest and repayment relief may be provided through debt management tools.

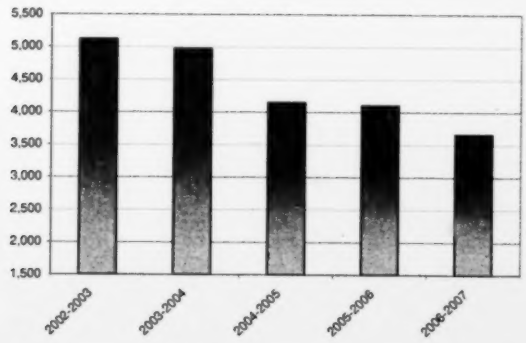
**Debt Management Tools**

Debt management tools assist borrowers with the repayment of their loans. When the borrower is unable to meet the repayment terms, there are a variety of debt management tools available. The debt management tools include Interest Relief, Extended Interest Relief, Debt Reduction in Repayment and the Permanent Disability Benefit.

*Interest Relief* provides repayment deferral for a maximum of 30 months to borrowers who are having difficulty making their payments due to low income. After exhausting 30 months of Interest Relief and lowering the payments by re-amortizing the loan over 15 years, the borrower may be eligible for *Extended Interest Relief* for up to 24 months.

In 2006-07, Interest Relief benefits totalling $992,484 were provided to 3,661 borrowers.

***Graph 3:***
***Number of Borrowers on Interest Relief***
***from 2002-03 to 2006-07***



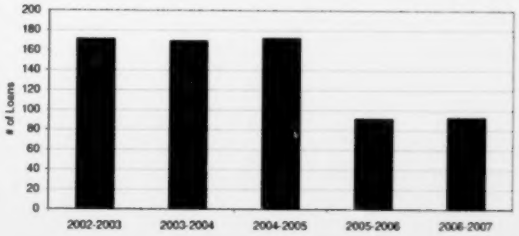

*Debt Reduction in Repayment* is available to individuals who remain in financial difficulty after receiving Interest Relief and Extended Interest Relief. The Canada loan principal may be reduced by up to $26,000 over 3 years and the Saskatchewan loan principal may be reduced by $3,000. In 2006-07, a total of $42,078 was paid in reductions to Saskatchewan loan principal to 21 individuals.

*Permanent Disability Benefit* is available to students who become disabled while in school or after completing their studies. Students who are experiencing undue hardship may qualify for full forgiveness of their student loans. In 2006-07, 10 students received benefits totalling $56,739.

## Part-time Canada Student Loans

The Canada Student Loans Program provides interest-bearing loans to part-time students who require assistance to pay for educational expenses such as tuition, books, instruments, transportation, childcare and miscellaneous expenses. The maximum amount of outstanding loan principal allowed is $4,000.

***Graph 4:***
***Part-time Canada Student Loans***
***from 2002-03 to 2006-07***




Students must begin making their interest payments on the loan 30 days after receiving the funds. Payments on principal begin after the period of study.

In 2006-07, 92 awards totalling $204,790 in Part-time Canada Student Loans were authorized.

## Assistance for Students with Permanent Disabilities

### Provisions for Students with Permanent Disabilities

There are a number of provisions for students with permanent disabilities in both the full and part-time student loans programs.

The provisions in the Canada-Saskatchewan Integrated Student Loans Program are:

- Students may take between 40% and 59% of a full course load and still be considered a full-time student;
- The satisfactory scholastic standing is defined as successful completion of 40% of a full course load;
- The "normal period of study plus one" limit, which allows students only one additional period of study over the normal length of time a program takes to complete, does not apply; and
- The lifetime limit is 520 weeks of study.

The Part-time Canada Student Loans Program allows students with disabilities to be eligible for assistance when taking between 20% and 39% of a full course load.

To qualify as a student with a permanent disability, the student must:

- have a disability of a permanent nature which limits physical or mental ability to perform the daily activities necessary to participate fully in post-secondary studies or in the labour force; and,
- be able to provide proof of the disability along with a completed student loan application.

## Canada/Saskatchewan Study Grants and Canada Access Grants

There are four Canada/Saskatchewan Study Grants:

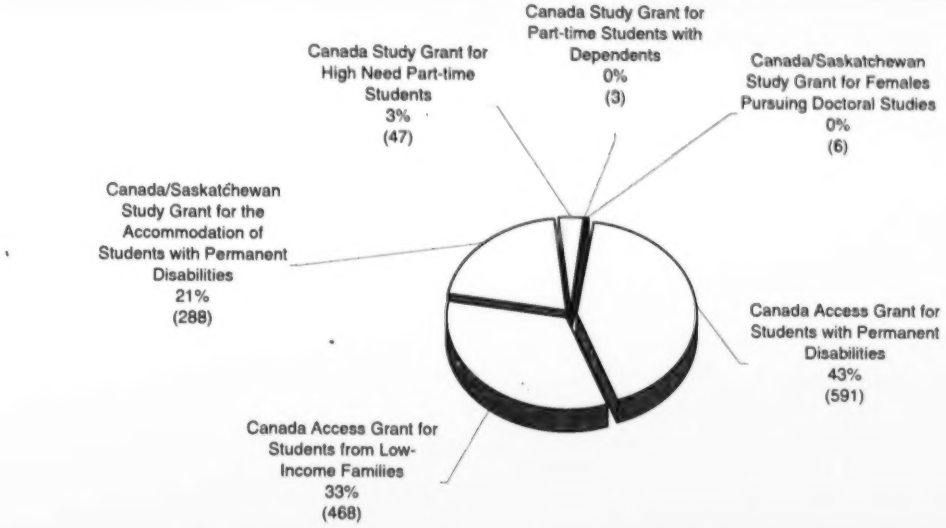
- Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities;
- Canada/Saskatchewan Study Grant for High Need Part-time Students;
- Canada Study Grant for Part-time Students with Dependents; and
- Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies.

There are two Canada Access Grants:

- Canada Access Grant for Students with Permanent Disabilities; and
- Canada Access Grant for Students from Low-Income Families.

In 2006-07, 387 Canada and/or Saskatchewan Study Grants were awarded in the amount of $1,371,188 and 1,081 Canada Access Grants were awarded in the amount of $2,191,703. The following graph portrays the distribution of students within each of the four study grant and two Canada access grant categories.

***Graph 5: Students Receiving Canada/Saskatchewan Study Grants and Canada Access Grants in 2006-07***




**Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities**

This grant provides a maximum of $10,000 per year ($8,000 federal and $2,000 provincial) to Saskatchewan students to cover exceptional education-related expenses directly related to the student's permanent disability.

To be eligible, a student must:

- have a permanent disability and provide proof of the permanent disability;
- be enrolled in post-secondary studies at a designated institution full or part-time; and
- must meet all other student loan eligibility criteria.

In 2006-07, 330 Canada/Saskatchewan Study Grants for the Accommodation of Students with Permanent Disabilities awards were issued in the amount of $1,263,401.

**Canada/Saskatchewan Study Grant for High Need Part-time Students**

This grant provides for direct educational costs up to a maximum of $2,000 per year ($1,200 federal and $800 provincial) to high need students who are enrolled in part-time studies because they are unable to carry 60% of a full course load for one or more of the following documented reasons:

- They are a single parent responsible for the primary care of dependent children who are living with the student full-time during the period of study;
- They are responsible for the primary physical and financial care of elderly dependent(s) and/or dependent(s) with a permanent disability requiring supervised care;
- They are a mature student restricted to conditional studies by their school (e.g. maximum 2 courses); or

- They are permanently disabled and are unable to undertake the required course load.

In 2006-07, 47 grants in the amount of $76,519 were awarded to high need part-time students.

**Canada Study Grant for Part-time Students with Dependents**

This grant is for students who are eligible for a Part-time Canada Student Loan and who have dependents. The grant provides a maximum of $40 per week of study for students with one or two children or a maximum of $60 per week of study for students with three or more children.

In 2006-07 there were 3 grants in the amount of $3,228 awarded to part-time students with dependents.

**Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies**

The Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies provides a maximum of $5,000 per year ($3,000 federal and $2,000 provincial) to female doctoral students studying full-time in non-traditional fields of study. In 2006-07, 7 awards were issued in the amount of $28,040.

**Canada Access Grant for Students with Permanent Disabilities**

The Canada Access Grant for Students with Permanent Disabilities provides up to $2,000 per loan year to full-time or part-time students with permanent disabilities who have demonstrated financial need. To be eligible the student must:

- Meet student loan eligibility criteria; and
- Be approved for permanent disability status.

Students will be automatically considered for this grant when applying for student loan assistance. In 2006-07 there were 612 awards issued in the amount of $1,200,618.

**Canada Access Grant for Students from Low-Income Families**

The Canada Access Grant for Students from Low-Income Families provides grants for 50% of the student's tuition up to $3,000 to full-time students who have demonstrated financial need and have fulfilled the following criteria:

- Be enrolled for the first time in post-secondary education in their first year in a program of studies of at least two years that leads to a degree, diploma or certificate;
- Be pursuing post-secondary education within four years of leaving secondary school or a basic education program or completing General Educational Development (GED); and
- Have parental income that falls within the range of entitlement to the National Child Benefit Supplement in the previous tax year.

In 2006-07, 469 awards were issued in the amount of $991,085 for Students from Low-Income Families.

## Other Awards Administered through the Student Aid Fund

### Federal Awards

The Saskatchewan Student Aid Fund is reimbursed by the federal government for these following awards:

| Table 3: French Minority Language Travel Bursary and Fellowship Bursary in 2006-07 | | | |
|---|---|---|---|
| **Award** | **Description of Award** | **Number of Awards** | **Total Amount Paid** |
| **French Minority Language Travel Bursary** | These bursaries are intended to enable French minority language students, who cannot pursue their post-secondary studies in their own language in Saskatchewan, to study elsewhere in Canada. The bursary includes the cost of one economy round trip per semester of full-time studies from the student's place of residence to the post-secondary institution chosen. | 52 | $37,900 |
| **French Fellowship/ Bursaries for French Language Bachelor of Education Students** | These fellowships/bursaries provide Anglophone post-secondary students with an opportunity for immersion in a French milieu and encourage Francophones to pursue their post-secondary studies in French, in disciplines that are not offered within Saskatchewan. | 267 | $249,200 |

The French Fellowship/Bursaries for French Language Bachelor of Education Students:

- Fellowships, to a maximum of $1,000 per semester, available to students registered in approved programs in French at a Saskatchewan university or outside Saskatchewan if the programs are not available in French in the province.
- Bursaries, to a maximum of $2,000 per semester, available to students enrolled in:
  - the medicine program for Francophone's in a Francophone or bilingual Canadian post-secondary institution;
  - the French Language Bachelor of Education Program at the University of Regina; or
  - the Bachelor of Education After Degree (BEAD) program at the University of Regina.

## Scholarships

A variety of other awards for post-secondary students are funded through the Saskatchewan Student Aid Fund.

**Table 4: Scholarships in 2006-07**

| Name of Scholarship | Description | Recipients |
|---|---|---|
| **Centennial Merit Scholarship** | This scholarship targets top students from Saskatchewan high schools and enhances the ability of institutions to attract and retain high-calibre students. The funding is paid to institutions responsible for its administration. Advanced Education and Employment provided an additional $500,000 funding for the Centennial Merit Scholarship Program in 2006-07, increasing program funding to $1,500,000.<br><br>Distribution of Funding is as follows: $405,000 for the University of Regina, $645,000 for the University of Saskatchewan, $405,142 for Saskatchewan Institute of Applied Science & Technology (SIAST), $129,201 for Regional Colleges, $34,375 for Apprenticeships and $30,000 for Saskatchewan Indian Institute of Technologies (SIIT). | Determined by the institutions. |
| **Queen Elizabeth II Scholarship in Parliamentary Studies** | This scholarship in the amount of $20,000 is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities. The scholarship is intended to encourage advanced study and research in Saskatchewan government and politics and thereby strengthen parliamentary institutions in the province. | 0 |
| **Queen Elizabeth II Centennial Aboriginal Scholarship** | This scholarship in the amount of $20,000 is awarded annually to First Nations/Métis students graduating from the First Nations University of Canada (FNUC) who are pursuing graduate studies in any field at any accredited university in Saskatchewan. The intent of the award is to focus on the accomplishments of graduates of the First Nations University of Canada and encourage further scholarship programs associated with FNUC. | 2 |
| **D.R. Simmons Memorial Scholarships** | There are two scholarships of $500 available annually to graduating Grade 12 Saskatchewan students of First Nations or Métis ancestry who are continuing studies at the post-secondary level. | 2 |
| **James Dickson Scholarship** | This $500 scholarship is available annually to a graduating Grade 12 Saskatchewan student of black ancestry. If no award is made during one year, two awards may be made during the following year. | 1 |
| **Doreen Kronick Matching Scholarship** | This $500 scholarship is available in Canada each year to recognize the scholastic achievement of a full or part-time graduate student studying in an area that will enable the student to help individuals with learning disabilities. The department will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university. | 0 |

# Statistical Summary of Saskatchewan Student Assistance Program Activity

## Full-time Loans

| Table 5<br>Canada Student Loans | | |
|---|---|---|
| ***Fiscal Year*** | ***Number of Awards*** | ***Amount Authorized**** |
| 2006-2007 | 13,785 | $71,552,809 |
| 2005-2006 | 15,059 | $79,525,365 |
| 2004-2005 | 16,150 | $71,322,970 |
| 2003-2004 | 16,474 | $71,861,183 |
| 2002-2003 | 15,702 | $68,830,806 |

*Authorized Loans are loans that are approved for courses starting within the fiscal year indicated, whether or not the monies were paid out in that fiscal year.

| Table 6<br>Saskatchewan Student Loans | | |
|---|---|---|
| ***Fiscal Year*** | ***Number of Awards*** | ***Amount Authorized**** |
| 2006-2007 | 13,828 | $47,846,739 |
| 2005-2006 | 15,086 | $54,576,377 |
| 2004-2005 | 16,151 | $60,011,226 |
| 2003-2004 | 16,449 | $59,731,633 |
| 2002-2003 | 15,663 | $56,586,020 |

*Authorized Loans are loans that are approved for courses starting within the fiscal year indicated, whether or not the monies were paid out in that fiscal year.

## Debt Reduction Benefits

| Table 7<br>Saskatchewan Student Bursary | | |
|---|---|---|
| ***Fiscal Year*** | ***Number of Awards*** | ***Amount Paid*** |
| 2006-2007 | 9,238 | $19,973,070 |
| 2005-2006 | 10,352 | $16,215,122 |
| 2004-2005 | 8,710 | $14,417,176 |
| 2003-2004 | 9,575 | $14,100,176 |
| 2002-2003 | 9,888 | $20,192,917 |

| Table 8<br>Canada Study Grants for Student with Dependents | | |
|---|---|---|
| ***Fiscal Year*** | ***Number of Awards*** | ***Amount Paid*** |
| 2006-2007 | 2,911 | $3,522,734 |
| 2005-2006 | 3,470 | $4,103,154 |
| 2004-2005 | 3,064 | $3,912,611 |
| 2003-2004 | 3,446 | $4,018,728 |
| 2002-2003 | 3,036 | $4,210,762 |

| Table 9<br>Saskatchewan Study Grants for Students with Dependents | | |
|---|---|---|
| ***Fiscal Year*** | ***Number of Awards*** | ***Amount Paid*** |
| 2006-2007 | 1,695 | $2,197,716 |
| 2005-2006 | 2,621 | $4,808,586 |
| 2004-2005 | 1,919 | $3,815,874 |
| 2003-2004 | 2,165 | $3,815,698 |
| 2002-2003 | 2,023 | $3,970,118 |

| Table 10<br>Remission Approvals on Saskatchewan Student Loans | | |
|---|---|---|
| ***Fiscal Year*** | ***Number of Awards*** | ***Amount Approved*** |
| 2006-2007 | 33 | $46,470 |
| 2005-2006 | 1,213 | $1,963,136 |
| 2004-2005 | 70 | $157,440 |
| 2003-2004* | 1,191 | $2,784,345 |
| 2002-2003* | 282 | $581,499 |

*The benefit is applied first against the Saskatchewan loan debt, and in cases where funds remain, is applied to the Canada loan debt

## Debt Reduction Benefits continued

| Table 11<br>Loan Forgiveness Approvals<br>on Saskatchewan Student Loans | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Amount Approved* |
| 2006-2007 | 0 | $0 |
| 2005-2006 | 0 | $0 |
| 2004-2005 | 4 | $4,871 |
| 2003-2004 | 25 | $102,244 |
| 2002-2003* | 19 | $67,980 |
| *Approvals for courses starting prior to August 1, 1998 | | |

| Table 12<br>Canada Millennium Scholarship<br>Foundation Bursary | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
| 2006-2007 | 2,939 | $9,338,500 |
| 2005-2006 | 2,846 | $9,322,218 |
| 2004-2005 | 3,333 | $9,303,500 |
| 2003-2004 | 2,998 | $9,298,500 |
| 2002-2003 | 3,507 | $9,793,000 |

| Table 13<br>Millennium Aboriginal Access Bursary | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Total Amount Awarded* |
| 2006-2007 | 562 | $1,123,694 |
| 2005-2006 | 392 | $778,558 |

## Debt Management Tools

| Table 14<br>Interest Relief | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Total Amount Awarded* |
| 2006-2007 | 3,661 | $992,484 |
| 2005-2006 | 4,107 | $783,197 |
| 2004-2005 | 4,149 | $661,539 |
| 2003-2004 | 4,975 | $685,399 |
| 2002-2003 | 5,121 | $651,033 |

| Table 15<br>Debt Reduction in Repayment | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Total Amount Awarded* |
| 2006-2007 | 21 | $42,078 |
| 2005-2006 | 35 | $80,391 |
| 2004-2005 | 23 | $55,150 |
| 2003-2004 | 9 | $25,404 |
| 2002-2003 | 7 | $11,057 |

| Table 16<br>Permanent Disability Benefit | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Total Amount Awarded* |
| 2006-2007 | 10 | $56,739 |
| 2005-2006 | 10 | $34,968 |
| 2004-2005 | 16 | $47,487 |
| 2003-2004 | 26 | $146,302 |
| 2002-2003 | 6 | $40,460 |

## Part-time Loans

| Table 17<br>Part-time Canada Student Loans Program | | |
|---|---|---|
| *Fiscal Year* | *Number of Awards* | *Amount Authorized* |
| 2006-2007 | 92 | $204,790 |
| 2005-2006 | 91 | $193,832 |
| 2004-2005 | 172 | $369,165 |
| 2003-2004 | 169 | $265,285 |
| 2002-2003 | 171 | $351,497 |

## Canada/Saskatchewan Study Grants

**Table 18**
**Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities**

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2006-2007 | 330 | $1,263,401 |
| 2005-2006 | 337 | $1,149,044 |
| 2004-2005 | 326 | $1,366,827 |
| 2003-2004 | 232 | $1,019,956 |
| 2002-2003 | 206 | $837,260 |

**Table 19**
**Canada Study Grant for High Need Students with Permanent Disabilities***

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2005-2006 | 27 | $21,339 |
| 2004-2005 | 244 | $380,368 |
| 2003-2004 | 154 | $249,449 |
| 2002-2003 | 79 | $117,088 |

*The Canada Study Grant program for High Need Students with Permanent Disabilities was introduced in 2002-03 and replaced in 2005-06 with the Canada Access Grant for Students with Permanent Disabilities.

**Table 20**
**Canada Study Grant for Part-time Students with Dependents**

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2006-2007 | 3 | $3,228 |
| 2005-2006 | 0 | $0 |
| 2004-2005 | 10 | $14,624 |
| 2003-2004 | 13 | $19,476 |
| 2002-2003 | 4 | $4,598 |

**Table 21**
**Canada Study Grant for High Need Part-time Students**

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2006-2007 | 47 | $76,519 |
| 2005-2006 | 56 | $88,566 |
| 2004-2005 | 114 | $193,381 |
| 2003-2004 | 119 | $208,215 |
| 2002-2003 | 160 | $273,891 |

**Table 22**
**Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies**

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2006-2007 | 7 | $28,040 |
| 2005-2006 | 7 | $31,245 |
| 2004-2005 | 8 | $32,895 |
| 2003-2004 | 6 | $32,846 |
| 2002-2003 | 6 | $29,869 |

## Canada Access Grants

**Table 23**
**Canada Access Grant for Students with Permanent Disabilities**

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2006-2007 | 612 | $1,200,618 |
| 2005-2006* | 506 | $990,598 |

*The Canada Access Grant for Students with Permanent Disabilities was introduced for the 2005-06 loan year and has replaced the Canada Study Grant for High Need Students with Permanent Disabilities.

**Table 24**
**Canada Access Grant for Students from Low-Income Families**

| *Fiscal Year* | *Number of Awards* | *Amount Paid* |
|---|---|---|
| 2006-2007 | 469 | $991,085 |
| 2005-2006* | 530 | $1,160,855 |

*The Canada Access Grant for Students from Low-Income Families was introduced in the 2005-06 loan year.

## Other Awards

| Table 25<br>Other Awards | | | |
|---|---|---|---|
| **Award** | **Fiscal Year** | **Number of Awards** | **Amount Paid** |
| **Centennial Merit Scholarship** | 2006-2007 | Determined by institution | $1,648,718 |
| | 2005-2006 | | $835,500 |
| | 2004-2005 | | $503,000 |
| | 2003-2004 | | $499,500 |
| | 2002-2003 | | $500,000 |
| | | | |
| **Federal French Language Awards** | 2006-2007 | 319 | $287,100 |
| | 2005-2006 | 355 | $301,550 |
| | 2004-2005 | 329 | $293,350 |
| | 2003-2004 | 276 | $198,550 |
| | 2002-2003 | 284 | $189,650 |
| | | | |
| **Queen Elizabeth II Scholarship in Parliamentary Studies** | 2006-2007 | 0 | $0 |
| | 2005-2006 | 2 | $20,000 |
| | 2004-2005 | 1 | $10,000 |
| | 2003-2004 | 1 | $10,000 |
| | 2002-2003 | 1 | $10,000 |
| | | | |
| **Queen Elizabeth II Centennial Aboriginal Scholarship** | 2006-2007 | 2 | $20,000 |
| | 2005-2006 | 1 | $20,000 |

## Loan Receivables and Repayments

| Table 26<br>Total Amount of Saskatchewan Student Aid Fund Loans Receivable<br>As at March 31, of Each Fiscal Year* | |
|---|---|
| ***Fiscal Year*** | ***Amount*** |
| 2006-2007 | $85,695,329 |
| 2005-2006 | $81,075,959 |
| 2004-2005 | $72,677,333 |
| 2003-2004 | $56,445,339 |
| 2002-2003 | $40,115,216 |

| Table 27<br>Saskatchewan Student Loan Repayments Received by the Saskatchewan Student Aid Fund* | |
|---|---|
| ***Fiscal Year*** | ***Amount Paid*** |
| 2006-2007 | $14,411,772 |
| 2005-2006 | $11,034,405 |
| 2004-2005 | $7,299,464 |
| 2003-2004 | $4,623,077 |
| 2002-2003 | $2,725,275 |

| Table 28<br>Balance of Loans at the Royal Bank of Canada that have not entered Repayment** | |
|---|---|
| ***Fiscal Year*** | ***Loan Balance*** |
| 2006-2007 | $4,809,621 |
| 2005-2006 | $6,193,454 |
| 2004-2005 | $11,215,814 |
| 2003-2004 | $17,007,553 |
| 2002-2003 | $26,361,364 |
| 2001-2002 | $42,992,375 |

* *Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 to July 31, 2001 were negotiated and repaid to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement. Effective August 1, 2001, the province became the direct lender of Saskatchewan Student Loans.*

** *Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 to July 31, 2001 were negotiated and repaid to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.*

## Management's Responsibility for Financial Statements

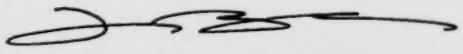
The accompanying financial statements are the responsibility of the management of the Student Financial Assistance Branch, Department of Advanced Education and Employment. They have been prepared in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements where applicable.

Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Trustees of the Student Aid Fund are responsible for ensuring that management fulfills its responsibilities for financial reporting, internal control and administering the fund in accordance with *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*. The Trustees meet periodically with management to satisfy themselves that management's responsibilities are properly discharged and to review the financial statements.

The Provincial Auditor of Saskatchewan has audited the financial statements of the Student Aid Fund in accordance with Canadian generally accepted auditing standards and his report follows.

Regina, Saskatchewan
May 18, 2007



Tammy Bloor Cavers
Executive Director
Student Financial Assistance Branch
Advanced Education and Employment

**Provincial Auditor Saskatchewan**

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

## AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Student Aid Fund as at March 31, 2007 and the statements of revenue, expense and net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
May 18, 2007

## Saskatchewan Student Aid Fund
## Statement of Financial Position
## As at March 31

| | 2007 | 2006 |
|---|---|---|
| **Financial Assets** | (thousands of dollars) | |
| **Financial Assets:** | | |
| Due from General Revenue Fund (Note 7) | $ 36,852 | $ 31,854 |
| Accrued Interest | 232 | 204 |
| Other Receivables | 1,049 | 1,434 |
| Student Loans Receivable (Note 4) | 85,695 | 81,076 |
| **Total Financial Assets** | $ 123,828 | $ 114,568 |
| **Liabilities and Net Financial Assets** | | |
| **Liabilities:** | | |
| General Revenue Fund Loan (Note 8) | $ 104,321 | $ 103,421 |
| General Revenue Fund Interest Payable | 963 | 864 |
| Due to Royal Bank of Canada (Note 5) | 2,289 | 2,747 |
| Bursaries and Study Grants Payable (Note 6) | 13 | 24 |
| Deferred Revenue - Federal Canada Study Grant | 1,050 | 1,269 |
| Other Accounts Payable | 606 | 299 |
| **Total Liabilities** | $ 109,242 | $ 108,624 |
| **Net Financial Assets (Statement 2)** | 14,586 | 5,944 |

(See accompanying notes to financial statements)

## Saskatchewan Student Aid Fund
## Statement of Revenue, Expense and Net Financial Assets
## For the Year Ended March 31

| | Budget | Actual 2007 | Actual 2006 |
|---|---|---|---|
| | (Note 12) | (thousands of dollars) | |
| **Revenue:** | | | |
| Appropriation from the General Revenue Fund | $ 31,526 | $ 31,526 | $ 16,858 |
| Grant - Federal Canada Study | 5,950 | 4,497 | 4,896 |
| Interest Revenue from General Revenue Fund | 500 | 1,089 | 924 |
| Interest on Student Loans | 5,800 | 5,171 | 3,758 |
| Loan Discount Amortization | 2,800 | 2,418 | 3,223 |
| Recovery of Bad Debt | 225 | 252 | 295 |
| Other Income | 300 | 340 | 346 |
| | 47,101 | 45,293 | 30,300 |
| **Expense:** | | | |
| Saskatchewan Student Bursaries | 24,896 | 16,749 | 18,962 |
| Saskatchewan Study Grants | 2,700 | 1,889 | 3,131 |
| Federal Canada Study Grants - Students with Dependents | 4,200 | 3,203 | 3,679 |
| Federal Canada Study Grants - Other | 1,750 | 1,294 | 1,217 |
| Provincial Canada Study Grants - Other | 125 | 77 | 73 |
| Special Incentive Loan Remissions | - | (154) | (1,353) |
| Risk Premium | - | (3) | (203) |
| Loan Guarantee | - | 14 | 5 |
| Debt Reduction in Repayment | 90 | 189 | 186 |
| Permanent Disability/Death Benefit | 555 | (929) | 2,592 |
| Interest Relief Grants | 680 | 1,739 | 1,071 |
| Class A Interest - Royal Bank Loans | - | 280 | (49) |
| Bad Debt Expense | 3,650 | 3,617 | 1,725 |
| Interest Grants to Students | 3,350 | 1,493 | 2,497 |
| Interest on General Revenue Fund Loan | 4,550 | 4,057 | 3,495 |
| Collection Costs | 130 | 147 | 174 |
| Service Provider Costs | 1,125 | 1,036 | 1,009 |
| Bursaries and Scholarships | 1,800 | 1,953 | 1,155 |
| | 49,601 | 36,651 | 39,366 |
| (Decrease) Increase in Net Financial Assets for the Year | $ (2,500) | $ 8,642 | $ (9,066) |
| Net Financial Assets, Beginning of Year | 5,944 | 5,944 | 15,010 |
| Net Financial Assets, End of Year - to Statement 1 | $ 3,444 | $ 14,586 | $ 5,944 |

(See accompanying notes to financial statements)

## Saskatchewan Student Aid Fund
## Statement of Cash Flows
## For the Year Ended March 31

| | 2007 | 2006 |
|---|---|---|
| | (thousands of dollars) | |
| **Cash Receipts from (used in) Operating Activities** | | |
| Receipts from General Revenue Fund | $ 31,526 | $ 16,858 |
| Receipts from Federal Government | 13,445 | 15,803 |
| Receipts from Student Loan Repayments Including Interest | 14,849 | 10,658 |
| Receipts of Bank Interest | 1,092 | 869 |
| Payment of Student Loan Disbursements | (47,809) | (54,475) |
| Payments to Royal Bank | (695) | (727) |
| Payments for Scholarships, Grants and Other Student Support | (3,262) | (3,193) |
| Payments of Interest on General Revenue Fund Loan | (3,958) | (3,432) |
| Payments of Service Provider Fees and Collection Costs | (1,090) | (1,069) |
| **TOTAL OPERATING** | **4,098** | **(18,708)** |
| **Cash Receipts from (used in) Financing Activities** | | |
| Receipts from General Revenue Fund Loan | 51,000 | 55,500 |
| General Revenue Fund Loan Repayments | (50,100) | (49,500) |
| **TOTAL FINANCING** | **900** | **6,000** |
| Net Increase (Decrease) in Due from General Revenue Fund | 4,998 | (12,708) |
| Due from General Revenue Fund, Beginning of Year | 31,854 | 44,562 |
| Due from General Revenue Fund, End of Year | **$ 36,852** | **$ 31,854** |

(See accompanying notes to financial statements)

# Saskatchewan Student Aid Fund Notes To The Financial Statements March 31, 2007

## 1. Authority

The Saskatchewan Student Aid Fund (the Fund) operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. The primary purpose of the Fund is to support the Saskatchewan Student Loan Program. The Trustees of the Student Aid Fund administer the Fund.

## 2. Description of the Program

Under the terms of the Saskatchewan Student Loan Program, student loans are provided to qualifying individuals based on a determination of need. Loans are interest-free while the student is in full time studies and for a maximum of six months between periods of study. They become repayable on the first day of the seventh month following discontinuance of studies or graduation, however, interest begins to accrue on the first day of the first month following discontinuance of studies or graduation.

There are four debt reduction benefits offered through the Fund. Program benefits are tied to loan years, which commence August 1 and end July 31 of each year.

- The Saskatchewan Student Bursary provides a maximum of $110 per week to all students with a need in excess of $210 per week in the borrower's first 170 weeks of post-secondary study ever taken.

- The Canada and Saskatchewan Study Grants provide a maximum of $95 per week to students with dependents.

- Debt Reduction in Repayment provides a one-time reduction of student loan payable to a maximum of $3,000 for borrowers who have been granted the maximum allowable interest relief benefits available and who have been out of school for 60 months but continue to experience financial hardship.

- A provision for borrowers with Permanent Disabilities provides loan forgiveness to borrowers who suffer from a permanent disability that impairs the borrower's ability to repay their loan.

In addition to debt reduction benefits, the Fund provides further debt management assistance to students through the Interest Relief and Extended Interest Relief programs. These programs provide repayment deferral to eligible students for a maximum of 54 months.

In May 1999, the Province of Saskatchewan signed a ten year agreement with the Canada Millennium Scholarship Foundation. For the 2006/07 loan year, this agreement will provide $9,339 thousand in millennium bursaries to 2,935 Saskatchewan post-secondary students. Millennium bursaries are applied against student loan balances.

Prior to August 1, 1996, the Province provided funding for student loans, and all loan administration was undertaken by staff of the Department. During the period August 1, 1996 to July 31, 2001, the Royal Bank was the financier of student loans and assumed responsibility for the disbursement, management and collection of student loans. Under a separate agreement with Royal Bank which was effective October 1, 1997 to December 31, 1999, substantially all of the loans held by the Fund were transferred to Royal Bank. Borrowers who had their loans transferred to Royal Bank retain the rights associated with their loans (i.e. interest rate, repayment term and interest relief eligibility). Loans held by Royal Bank are eligible for all of the debt reduction and debt management benefits of the Saskatchewan Student Loan Program.

The Fund pays to Royal Bank costs associated with maintaining lender financed loans in interest-free status while students are in school, interest relief benefits granted to borrowers experiencing financial hardship in the repayment of their loans, and a 5% risk premium upon consolidation of individual student loans.

On June 19th, 2001, the Province entered into an agreement with the Government of Canada to integrate the delivery and administration of Canada and Saskatchewan student loans. The Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs became effective August 1, 2001. In conjunction with the agreement, the Department provides loan authorization for both Saskatchewan and Canada student loans, and the Province is re-established as the financier of Saskatchewan student loans. On behalf of the Department and the Government of Canada, two external agencies (service providers) manage the disbursement, administration and repayment of integrated student loans. On behalf of the Province, the Government of Canada is responsible for the collection of bankrupt and defaulted loans. Student benefits as described above are applicable to Canada/Saskatchewan integrated loans.

**3. Significant Accounting Policies**

The financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Revenues

The Appropriation from the General Revenue Fund is recorded when receivable.

Federal Canada Study Grants are recorded in the year in which the related Federal Canada Study Grants - Students with Dependents and Federal Canada Study Grants - Other are recognized.

Interest on Student Loans and Interest Revenue from the General Revenue Fund are recorded when receivable.

Recovery of Bad Debt is recorded when received.

c) Expenses

Saskatchewan Student Bursaries, Saskatchewan Study Grants and Federal Canada Study Grants - Students with Dependents are recorded as they are earned by students over their period of study. Debt Reduction in Repayment, Permanent Disability/Death Benefit, Interest Relief Grants, Risk Premium, Loan Guarantee, Class A Interest - Royal Bank Loans and Bad Debt Expense are recorded based on estimates of expected utilization.

Interest Grants to Students reflect the cost of holding student loans in interest free status during periods of study. The cost is recorded at the time of loan disbursement and amortized to revenue over the estimated interest free term (Loan Discount Amortization).

Interest on General Revenue Fund Loan, Collection Costs and Service Provider Costs are recorded in the period that the expense was incurred.

Federal and Provincial Study Grants - Other and Bursaries and Scholarships are expensed when approved.

d) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Measurement uncertainty impacts Student Loans Receivable (Note 4) and Due to Royal Bank of Canada (Note 5).

e) Student Loans Receivable

Student loans are carried at the amount advanced plus accrued interest. Simple interest is charged on loans following the interest-free in school period. Payments on loans are first applied to interest, then to outstanding principal.

For loans held by the Fund, allowances are deducted from loans receivable for the following:

i) estimated uncollectible loans due to default on repayment, based on past collection experience;

ii) the cost of holding student loans in interest-free status; and

iii) estimated debt reduction and debt management benefits.

## 4. Student Loans Receivable

| | | 2007 | 2006 |
|---|---|---|---|
| | | (thousands of dollars) | |
| | Loans outstanding beginning of year | $133,824 | $122,769 |
| Add: | New loans during the year | 47,774 | 54,480 |
| | Royal Bank buybacks | 39 | - |
| | Interest earned on student loans | 5,864 | 4,238 |
| Deduct: | Loan repayments net of payments on written off accounts | (14,160) | (10,739) |
| | Amounts authorized to reduce loans | (35,548) | (36,638) |
| | Loans written off | (678) | (286) |
| | Gross Student Loans Receivable, end of year* | $137,115 | $133,824 |
| Deduct: | Allowance for Interest Relief | (4,109) | (2,939) |
| | Allowance for Debt Reduction in Repayment | (351) | (311) |
| | Allowance for Permanent Disability/Death Benefit | (2,024) | (3,017) |
| | Interest Grants to Students | (3,094) | (4,018) |
| | Canada Study Grants Payable | (1,994) | (2,317) |
| | Saskatchewan Study Grants Payable | (940) | (1,253) |
| | Student Bursaries Payable | (11,543) | (14,994) |
| | Remission | - | (200) |
| | Allowance for Uncollectible Loans | (27,365) | (23,699) |
| | Student Loans Receivable, end of year | $85,695 | $81,076 |

***Includes Consolidated Loans (loans in repayment) of $65,508 thousand (2006 - $55,274 thousand)**

Student Loans Receivable consist of amounts owing by borrowers for loans granted prior to the Canada-Saskatchewan Integration Agreement (2007 - $2,026 thousand; 2006 - $2,924 thousand), and subsequent to the integration agreement (2007 - $135,087 thousand; 2006 - $130,900 thousand), offset by debt reduction benefits payable, debt management benefits payable and the allowance for uncollectible loans.

Included in amounts authorized to reduce loans are Saskatchewan Student Bursaries and Saskatchewan Study Grants. These have been reduced by $6,745 thousand (2006 - $6,766 thousand), which is a portion of the $9,339 thousand received from the Canada Millennium Scholarship Foundation.

**Variability in Student Loans Receivable**

Estimation is a factor in the following offsets to Gross Student Loans Receivable:

Allowance For Interest Relief
The allowance is an estimate of future costs based on projected prime rates of interest, projected months of interest relief utilization and actuarial estimates for program take-up.

Allowance for Debt Reduction in Repayment
The allowance is an estimate of future costs based on actuarial estimates.

Allowance for Permanent Disability/Death Benefit
The allowance is an estimate of future costs

based on actuarial estimates. For 2007, the actuarial provisioning rate for benefits to the point of loan consolidation was extrapolated to recognize benefits now granted after loan consolidation.

Interest Grants to Students
The benefit was calculated assuming that students remain in school for an average of three years, and applying the Fund's borrowing rate.

Allowance for Uncollectible Accounts
The Fund is exposed to losses in the event that borrowers default on repayment of their student loans. The Fund's maximum risk is represented by Gross Student Loans receivable.

Management estimates are used to determine the dollar value of loans expected to be uncollectible. For 2007 the estimate is 19% (2006 - 20%) of net loan disbursements plus 60% (2006 - 0%) of interest recorded on impaired loans.

Interest income continues to be earned on all loans to point of write-off. The recorded Allowance for Uncollectible Loans includes provision for interest income earned on impaired loans.

These allowances could reasonably be expected to fluctuate in the next twelve months as follows:

| | 2007 | | 2006 |
|---|---|---|---|
| | Actual | Range of Accruals | Actual |
| | | (thousands of dollars) | |
| Allowance for Interest Relief | $4,109 | $2,113 - $6,409 | $2,939 |
| Debt Reduction in Repayment | 351 | 280 - 422 | 311 |
| Permanent Disability/Death | 2,024 | 1,572 - 2,476 | 3,017 |
| Interest Grants to Students | 3,094 | n/a | 4,018 |
| Allowance for Uncollectible Loans | 27,365 | 25,941 - 28,789 | 23,699 |

**Loan Interest Rates**

Loans in repayment are subject to interest rate risk related to repayment terms. The current portfolio of loans in repayment have effective interest rates of 5.00% to 12.00% (2006 - 5.00% to 12.00%). The Minister charges interest rates pursuant to The Student Assistance and Student Aid Fund Regulations, 2001 and The Saskatchewan Student Direct Loans Regulations.

For the majority of loans held by the Fund, interest rates are set at the option of the student either at prime plus 2.5% (floating rate) or prime plus 5.0% (fixed rate) at the time of loan consolidation.

The fair value and repayment period of loans receivable have not been disclosed because it is not practicable to determine the loan repayments with sufficient reliability. There are a number of factors needed to estimate the timing and the amount of loan repayments. These factors include the Fund's historical experience, applications for interest relief, debt reduction, economic conditions, and the necessity to rely on the actions of a large number of individuals.

Interest rates for consolidated loans are as follows:

| Interest Rate | 2007 Total Balance | 2006 Total Balance |
|---|---|---|
| | (thousands of dollars) | |
| Less than 8.0% | $433 | $565 |
| 8.0% - 8.9% | 64,428 | 53,678 |
| 9.0% - 9.9% | 569 | 916 |
| 10.0% - 10.9% | 32 | 52 |
| 11.0% or greater | 46 | 63 |
| Loans Consolidated | $65,508 | $55,274 |

**5. Due to Royal Bank of Canada**

The Fund estimates amounts due to Royal Bank. Estimation is a factor in the following:

Class A Interest is estimated based on the current loan receivable balance of students in school, the projected time that students will remain in school, and the projected market rate of interest.

Interest Relief is estimated based on projected prime rates of interest, projected months of interest relief utilization and actuarial estimates for program take-up.

Permanent Disability and Debt Reduction in Repayment are estimated by applying actuarial estimates to outstanding loan balances held by Royal Bank.

Variability in estimates for Risk Premium and Loan Guarantee are not material to these statements.

These estimates could reasonably be expected to fluctuate within the next twelve months as follows:

| | 2007 | | 2006 |
|---|---|---|---|
| | Actual | Range of Accruals | Actual |
| | | (thousands of dollars) | |
| Class A Interest | $ 546 | $ 501 to $ 590 | $ 538 |
| Interest Relief | 1,142 | 531 to 1,754 | 1,567 |
| Permanent Disability | 232 | 193 to 278 | 307 |
| Debt Reduction in Repayment | 242 | 159 to 326 | 135 |
| Other Payables | 127 | n/a | 200 |
| Due to Royal Bank of Canada | $ 2,289 | | $ 2,747 |

## 6. Bursaries and Study Grants Payable

Bursaries and Study Grants Payable represents benefits earned by students which could not be applied against Saskatchewan Student Loan balances.

## 7. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid quarterly by the General Revenue Fund to the Fund using the General Revenue Fund's thirty day borrowing rate and the Fund's average daily bank account balances.

Included in this amount is $24 thousand of restricted funds used for scholarships.

## 8. General Revenue Fund Loan

Effective August 1, 2001, the Province assumed responsibility for the financing of student loans. A loan from the General Revenue Fund is provided to the Student Aid Fund to support this role.

The interest rate charged on the General Revenue Fund Loan is at the Province's eight year cost of borrowing. The Province's average eight year cost of borrowing rate for 2007 was 4.52% (2006 - 4.24%). Under the terms of the loan agreement, the Student Aid Fund makes quarterly loan payments to the General Revenue Fund. The dollar amount of the required loan payment is calculated as the sum of debt reduction benefits applied against student loans, the principal portion of student payments received by the Saskatchewan Student Aid Fund and accounts written off.

## 9. Fair Values

Due from the General Revenue Fund, Accrued Interest, Other Receivables, Other Accounts Payable, General Revenue Fund Interest Payable and Deferred Revenue are all short-term in nature and as such their fair value approximates carrying value.

The Student Loans Receivable, General Revenue Fund Loan, Due to Royal Bank of Canada, and Bursaries and Study Grants Payable are long-term in nature and there is no market for selling or settling these assets or liabilities. Therefore, the determination of fair value of these assets and liabilities is not practicable.

## 10. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by the Department of Advanced Education and Employment. Accordingly, no provision for these costs is reflected in these financial statements. Costs paid to other government agencies for loan collection services are paid by the Fund. Other related party transactions are disclosed separately in these financial statements.

## 11. Millennium Trust

On May 7, 1999 the Province and the Canada Millennium Scholarship Foundation entered into a ten-year agreement for the administration of General Awards provided to students by the Canada Millennium Scholarship Foundation. Under the agreement, the Province is to receive "in trust monies" to be paid to qualifying students and is responsible to ensure that the funds are properly disbursed.

Millennium funds are allocated to each Province based on the Province's share of the

population of Canada. For the 2006-07 loan year, Saskatchewan's allocation of Canada Millennium Scholarship General Awards was $9,297 thousand.

At March 31, 2007 net assets held on behalf of the Canada Millennium Scholarship foundation by the Student Aid Fund were $1 thousand.

**12. Budget**

The operating budget was approved by The Trustees of the Student Aid Fund on August 16, 2006.

**13. Comparative Figures**

Certain of the 2006 financial statement figures have been reclassified to conform with presentation of the 2007 figures.

Copies of this report are available by contacting:
Student Financial Assistance Branch
Advanced Education and Employment
4635 Wascana Parkway
Box 650
Regina, SK S4P 3A3
Phone: (306) 787-0253
Fax: (306) 787-7537
Internet: http://www.publications.gov.sk.ca